DOCUMENT RESUME

ED 469 911 CE 083 644

TITLE	Higher Education: A Rapidly Changing Landscape.
INSTITUTION	National Alliance of Business, Inc., Washington, DC.
ISSN	ISSN-0740-4077
PUB DATE	2002-00-00
NOTE	9p.; Theme issue.
AVAILABLE FROM	National Alliance of Business, 1201 New York Ave. NW, Suite 700, Washington, DC 20005 (available to NAB members only). Tel: 800-787-1212 (Toll Free); Fax: 202-289-2869; e-mail: members@nab.com; Web site: http://www.nab.com.
PUB TYPE	Collected Works - Serials (022)
JOURNAL CIT	WorkAmerica; Sum 2002
EDRS PRICE	EDRS Price MF01 Plus Postage. PC Not Available from EDRS
DESCRIPTORS	College Programs; *College Role; Computer Uses in Education; Curriculum Development; Demand Occupations; Distance Education; *Economic Development; *Education Work Relationship; Educational Innovation; *Educational Needs; *Educational Trends; Flexible Scheduling; Futures (of Society); *Higher Education; Minicourses; Nontraditional Students; Stopouts; Teacher Supply and Demand; Technical Education; Training

ABSTRACT

In a world of constantly changing demands for knowledge and technical skills for the work world, higher education has been slow to change to meet these demands. The numbers of American students receiving bachelor's degrees in engineering, mathematics, and computer science fell significantly between 1987 and 1998, while the demand rose. In addition, few four-year institutions have addressed the heavy demand for teachers. In order for the U.S. economy to remain competitive in a worldwide knowledge economy, however, colleges and universities need to provide more innovative approaches to providing education and training. Two-year colleges, in particular, need to offer more flexibility to serve a diverse array of people, from disadvantaged students to adults returning to school multiple times, and in many cases, two-year colleges have more flexibility to do so. It is imperative that two-year colleges become adaptable to change quickly to meet the needs of business for workers trained in the latest technologies. Innovative approaches, such as short-term courses, customized courses, and distance learning via Internet, are needed to meet the needs of today's students and the U.S. economy. (KC)

Reproductions supplied by EDRS are the best that can be made
from the original document.

Summer 2002

NATIONAL ALLIANCE OF BUSINESS

Work • America

THE BUSINESS VOICE FOR EXCELLENCE IN EDUCATION

ED 469 911

In this Issue

Lead Story
Higher Education: A Rapidly Changing Landscape

Viewpoint
Edward B. Rust, Jr., chairman and CEO, State Farm Insurance Companies

Community Colleges
- NAB community College Initiatives
- Leading the Way: Community Colleges Adapt to a New World

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☒ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

S. Dunphy

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2B

CE083644

Higher Education : A Rapidly Changing Landscape

Though Americans have long enjoyed the world's best system of higher education, that system faces unprecedented new challenges as it confronts the dramatically changing expectations of the world around it. Its continued strength and reputation depend on its ability to meet these changes head-on.

The business community is often the first to experience these changes. As it strives to succeed in an accelerating information-based economy, business is keenly aware of escalating global competition and technological innovation, as well as of the accompanying demand for new knowledge and skills.

As the global shift from a manufacturing to a knowledge economy continues to level the international economic playing field, those nations with the best-educated citizenry will enjoy a decisive competitive advantage. Together with the rise of global competition, the rapid advance of technological innovation is incessantly transforming the definition of jobs, and by extension of the skills these jobs require.

continued on page 3

BEST COPY AVAILABLE

Viewpoint

The business community's growing concern for the quality and accessibility of higher education is an outgrowth of its longstanding commitment to improving education on the elementary and secondary levels. After helping to shape elementary and secondary school reform through the No Child Left Behind Act, business has broadened its attention to include higher education's central role in preparing Americans for the growing challenges of life and work in the new century.

Despite the prevailing sense that our colleges and universities are flourishing, more and more business leaders are realizing the growing need for change within higher education. As businesses attempt to hire the highly skilled employees essential to their continued competitiveness in the fast-changing global economy, they are experiencing first-hand the widening gap separating universities from the changing demands of the world around them.

Extraordinary demographic changes will only intensify the challenges faced by higher education. Not only is the 18- to 24-year old student cohort becoming much larger and more diverse, adult students are returning to college in unprecedented numbers.

To meet constantly changing skill demands, lifelong learners from all racial, economic and educational backgrounds will enroll in post-secondary institutions many times throughout their lives. Most will study part time, often via distance learning technologies. Many lifelong learners will attend multiple institutions before earning a credential. Long-accepted modes of financing and delivering post-secondary education simply leave these students behind.

Former General Electric CEO Jack Welch once leveled a sobering warning at businesses that fail to adapt to external change: "If the rate of change outside your organization exceeds the rate of change inside your organization," he said, "then the end is in sight." Now as never before, colleges and universities must heed this warning.

Sincerely

Edward B. Rust, Jr.
Chairman and CEO
State Farm Insurance Companies

State Farm: A Good Neighbor to the Education Community

In the 80 years since Illinois farmer George Mecherle founded State Farm, the company has grown from a small mutual auto insurer to one of the world's largest financial institutions. Now the nation's leading insurer of homes and automobiles, State Farm Companies employ almost 80,000 people and maintain over 73 million insurance policies from 25 operations centers in the U.S. and Canada.

Throughout its history, State Farm has shown a profound sense of responsibility to the community around it. Nowhere is its commitment to being a Good Neighbor more evident than in the work of the State Farm Companies Foundation, which annually makes significant contributions to charitable causes.

Almost three quarters of those contributions support education at all levels. State Farm sponsors initiatives to improve K-12 education, including innovative after-school, school-to-work, and teacher quality programs. In a 5-year partnership with the National Board for Professional Teaching Standards, for example, State Farm has provided more than $1 million in support of teachers participating in the National Board Certification Process.

Supporting Higher Education

Through scholarships and institutional grants, moreover, the State Farm Companies Foundation demonstrates its commitment to quality and access in higher education. In 2001, the Foundation gave more than $2 million in scholarship support through seven scholarship programs. In addition to scholarships for accomplished doctoral and minority students, it awards Exceptional Student Fellowships worth $3,000 each to talented college students majoring in business-related fields.

Through its grants to higher education, State Farm aims to increase programmatic support for priority colleges and universities. Of the $2.9 million the Foundation contributed last year to organizations where State Farm associates volunteer their time, for example, over $1 million went to educational organizations. In addition, the Foundation matches employee contributions to select colleges and universities. In 2001, these Matching Gifts alone totaled almost $2.5 million. While encouraging employee investment in higher education, these programs cement State Farm's vital connection to the community it serves.

In its philanthropic efforts as well as its leadership's engagement with education reform, State Farm promotes a fruitful relationship between business and higher education. As Chairman of both NAB the Business Higher Education Forum (BHEF), State Farm CEO Ed Rust is working to extend such relationships to businesses and colleges nationwide.

NAB Focuses the Business Perspective on Higher Education

The Alliance is poised to play a leading role in the national conversation about vital higher education issues. In a year-long business-led initiative, NAB will focus and disseminate the business perspective on higher education.

NAB will convene meetings in which business and education leaders identify high-priority issues at the federal, state, and institutional levels. In addition to promoting substantial employer engagement in higher education issues, the new initiative will culminate in a series of publications on these issues, including a set of recommendations for shaping federal and state policy.

NAB is currently seeking funding for this initiative, which begins in the fall. For more information, please call NAB's Program Department at 202-289-2878.

Americans will need higher skills: 70% of the coming decade's fastest-growing jobs will according to Bureau of Labor Statistics projections require post-secondary education. More importantly, the very nature of these skills is evolving continuously, requiring more and more adults to seek further education and training throughout their lives. Americans will have to learn more–and learn more often–to keep pace with growing external demands.

Meanwhile, post-secondary enrollments will explode, increasing 20% by 2011. A new influx of working adults, traditionally underserved minorities, and low-income students will compel colleges and universities to accommodate not only more students, but a greater variety of student needs.

In light of these new conditions, colleges and universities can no longer rely on the traditional institutional practices or structures that have served them so well in the past. Because the quality and availability of post-secondary education will grow increasingly vital to the nation's social and economic health, American colleges and universities have entered an era of great opportunity, tremendous responsibility, and significant risk. The scope and speed of new changes raise educational issues of great concern to the business community.

Responding to Changing Demands

We face a growing mismatch between employer skill demands and the degrees colleges and universities currently award. While jobs requiring technical degrees are projected to increase by more than 50% over the next decade–over 4 times as fast as the overall increase in jobs projected for the same period–the number of Americans earning degrees in corresponding fields has been declining sharply over the past 15 years. Between 1987 and 1998, the number of engineering BS's dropped by 19%; that of mathematics BS's fell 25%; most surprisingly, the number of computer science BS's declined by a staggering 32%. Higher education has been equally slow to address the urgent need for qualified teachers, and nothing suggests that these trends will reverse direction in the coming years.

Though colleges and universities certainly do not bear the sole responsibility for this mismatch, they do need to take more aggressive measures to respond to external needs. The success of whatever measures they employ will depend on their close attention to the shifting needs of the society around them.

Creating a Culture of Inclusion

An institution's selectivity is no longer an adequate measure of its academic quality. True quality depends instead on a commitment to ensuring high achievement in all students. The academy's long-standing emphasis on identifying and promoting the very best students conflicts with the growing moral and economic imperative to maximize academic achievement across the board. The current academic "culture of exclusion" often exacerbates skills shortages in areas of particularly high demand. In science and engineering programs, for example, student attrition rates typically

stand at 50 percent or higher.

As they come to understand the relationship between academic skills and 21st-century demands, colleges and universities will face a growing obligation to articulate these demands to elementary and secondary educators. By working to raise student achievement at all levels, they will in fact have an opportunity to create a "culture of inclusion" that begins with the earliest grades and extends through adult education.

Providing "User-Friendly" Education

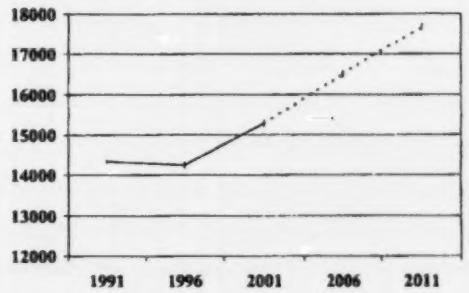
The demand for more "user-friendly" colleges and universities is challenging traditional structures of post-secondary education. A "one-size-fits-all" approach to higher education cannot survive in an era of increasingly diverse educational needs.

Driven in large part by an ever more dynamic labor market, student demand for frequent and varied lifelong learning opportunities does not respect long-established institutional roles. In the course of their careers, Americans will move between jobs, technical schools, 2-year colleges, and 4-year colleges, often assembling disparate courses and learning experiences into recognized credentials.

In fact, long-held assumptions about the 2-year Associate's Degree or the 4-year Bachelor's will likely yield to time frames that more closely suit both student learning needs and fast-paced labor market demands. Institutions that cling to such assumptions at the expense of both student and employer needs will face obsolescence.

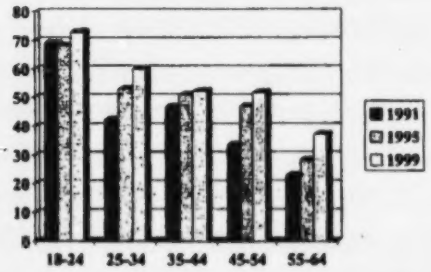
Such needs have already encouraged for-profit competitors to enter the post-secondary market, and these proprietary schools often respond more quickly to new professional skill demands than do not-for-profit institutions. As their long-held regional monopolies succumb to the spread of convenient distance learning technologies, more traditional institutions are being forced to address new competitive pressures.

Projected Enrollment in all Degree-Granting Institutions (in Thousands), Fall 1991 to Fall 2011



Source: U.S. Department of Education, National Center for Education Statistics, *Projections of Education Statistics to 2011*

Percentage of Adults who Participated in Learning Activities, by Age: 1991, 1995, and 1999



Source: U.S. Department of Education, NCES. *National Household Education Survey* (NHES), 1991, 1995, 1999 (Adult Education Component)

In this competitive environment, convenience and quality are not mutually exclusive. Given client demand for demonstrable learning, post-secondary providers that do not combine convenience with quality risk becoming irrelevant.

Communicating Competency

Demonstrated competencies are becoming more important than degrees or the institutions that confer them. In an environment where people must move freely and efficiently between education and jobs, the reliable communication of essential learning outcomes is growing more and more essential to facilitating this movement. Unless accompanied by a clear and widely-recognized statement of competencies, a post-secondary credential offers educators and employers little evidence that its bearer can satisfy the requirements of either further education or productive work in a fast-evolving world.

Of course, colleges and universities cannot productively measure outcomes until they identify precisely what they should measure. It is as a result becoming increasingly important to determine what essential competencies will best equip Americans for both immediate labor market requirements and the unavoidable necessity of lifelong learning.

To remain in step with the knowledge economy's evolving demands while ensuring the continued relevance of their curricula, colleges and universities will also have to isolate and then measure essential competencies within specific degree majors, especially in technical fields where cc[redacted]ant innovation drives accelerating change.

Financing Diverse Educational Needs

Current financing systems are proving increasingly inadequate to support the growing demand for post-secondary education and training. Financial aid has not kept pace with spiraling costs of attendance, and projected enrollment increases will only exacerbate these problems. Because low-income students will comprise a substantial share of these increases, the financial barriers to college attendance threaten to reach critical proportions. This crisis promises to become all the more severe as lifelong learners flood back into the post-secondary system.

More importantly, the current maze of scattered loans, grants, and tax incentives simply cannot support the educational demands of a society in which most people will frequently move in and out of higher education over the course of their lives. The goal of universal access to higher education depends on a funding strategy that fully acknowledges the growing diversity of student needs.

The Importance of Honest Engagement

Throughout its history, the American system of higher education has brought our nation enormous social and economic benefits. Now more than ever, nothing is more precious to individual and national prosperity than the quality of our colleges and universities. At the same time, that system faces greater, more complex challenges than it has ever faced.

Colleges and universities must therefore confront the changing world with the honesty and intellectual integrity that have long been their hallmark, even if this process reveals the inescapable need for far-reaching institutional transformation.

If they do not, they risk abandoning the very values that have sustained them for centuries.

NAB Launches Innovative Community College Projects

Kellogg Innovative Community College Project

NAB has embarked on a project to identify, reinforce and expand upon models of successful business/community college partnerships.

With generous support from the W. K. Kellogg Foundation, NAB will convene a two-day institute in July where innovative community college and business leaders will review emerging workforce trends, examine their implications for how community colleges serve their business partners, and formulate a vision for future business/community college engagement.

Additional funding from the U.S. Department of Labor will allow NAB to solicit feedback on the institute's findings from a larger network of community colleges and employers, ultimately convening three regional meetings where community colleges, business leaders, and workforce development professionals discuss their long-term significance.

The project will culminate in a publication outlining a vision for future business/community college partnerships, as well as in action guides for both community colleges and business leaders.

For more information, please contact Dr. Peggy Siegel at 202-289-2906 or siegelp@nab.com.

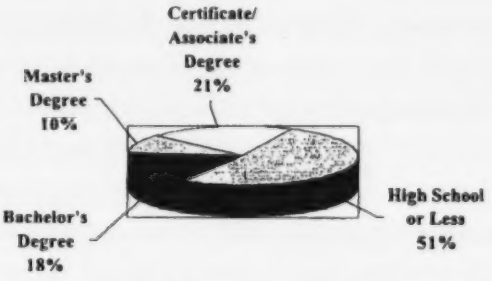
General Electric Community College E-Connections

NAB has launched the Community College e-Connection Initiative, an effort to explore community college use of distance learning to provide education and training services to low-wage workers and small business employees. Supported by a generous grant from the GE Fund, NAB is conducting extensive interviews and secondary research to identify ways of delivering quality distance learning programs to each of these traditionally underserved groups.

The initiative will result in a written document designed to help community colleges design and implement such programs. This document will appear on a new section of the NAB website along with other community college materials.

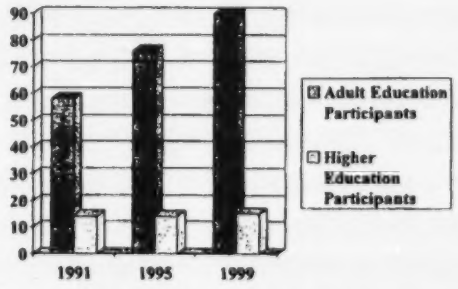
For more information, please contact the programs department at 202-289-2878 or info@nab.com

Distribution of Students Enrolled in Non-Credit Courses in Community Colleges by Level of Educational Attainment, 1999



Source: American Association of Community Colleges, *Faces of the Future, 2000*

Number of Participants in Adult Education and Higher Education (in millions): 1991, 1995, and 1999



Source: U.S. Department of Education, National Center for Education Statistics: National Household Education Survey (NHES), "Adult Education Interview, 1991, 1995, and 1999(1998) Projections of Education Statistics to 2008 (NCES 98016

Profiles of Excellence in Education Leadership

NAB has recently released three speeches in its Profiles of Excellence in Education Leadership Series. The series captures innovative thoughts and practices of people at the front line of today's education and workforce challenges. This latest installment in the series features:

- **Dr. Craig Barrett**, President and CEO of Intel Corporation, on corporate involvement in math and science education;
- **Ralph S. Larsen**, Chairman and CEO of Johnson & Johnson, on the importance of social capital; and
- **The Honorable Paul E. Patton**, Governor of the Commonwealth of Kentucky, on the importance of aligning k-12 and post-secondary learning.

All of these leaders were honored at NAB's annual conference as Distinguished Performance Award winners.

NAB members may download copies of the speeches at www.nab.com or receive complementary copies by calling 1-800-787-4848

Leading the Way: Community Colleges Adapt to a New World

Much like 4-year colleges and universites, community colleges are facing the revolutionary changes brought about by technological innovation and global competition. At a time of rapidly escalating skill demands, their dual focus on employer expectations and learner needs is becoming increasingly essential to U.S. social and economic health.

They have already demonstrated their ability to adapt to the constantly shifting demands of the business community. When a lack of qualified information technology workers threatened business productivity in the late '90s, community colleges introduced new IT certificate and degree programs far more quickly than 4-year institutions did.

More recently, they have begun to address looming teacher shortages. In many states, policy makers are looking to community colleges to help train the more than 2 million teachers needed in the coming decade. In Maryland and Florida, community colleges have already won legislative approval for applied bachelors degree programs in K-12 teaching. The rising number of alternative certification and staff development programs offered from these colleges promises to further mitigate the teacher shortfall.

"Community Colleges can serve as an invaluable resource for states as they strive to identify and train new teachers," states Mark Milliron, President and CEO of The League for Innovation in the Community College. "They are well positioned to offer a wide range of teacher training options and to serve as good partners with other educational institutions and government agencies working to address the impending shortage of teachers."

Strong and sustained ties with employers have helped community colleges respond to change. Such ties will in fact grow increasingly essential as skill requirements continue to evolve at an accelerating rate. "Post-secondary institutions must be prepared to turn on a dime to keep pace with constantly-shifting workplace demands," says Kristin Conklin, Senior Policy Analyst at the National Governors' Association Center for Best Practices. "Their ability to respond to changing expectations depends on close relationships with the employer community."

Many community colleges have been equally responsive to learner needs. Their innovative, user-friendly educational programs promote lifelong learning in an ever more dynamic labor market. Indeed, they have led the way in designing education and training programs for a wide variety of students, creating distance learning courses and short-term skill certificates to accommodate the rising proportion of learners who cannot study on-campus or full-time.

As their actions demonstrate, community colleges are recognizing the importance of flexibility in a world characterized by a growing diversity of student and employer needs.

The Business and Education 2002 Conference:

The New Era of Education Reform: Corporate Challenges, Workforce Opportunities

New York City, Nov. 5-6, 2002

A new era of education reform began when President Bush signed the *No Child Left Behind Act*. For the first time in the nation's history, this legislation will align federal programs with state and community efforts to improve education. To ensure the success of these new reforms, business and education must enter into a renewed and expanded partnership.

For the first time in their histories, The Conference Board and the National Alliance of Business are merging their conferences to provide a unique and powerful forum for both business leaders and educators to focus on the new era of education reform.

The Business and Education 2002 Conference will examine programs and practices educators, administrators and businesses are developing across the nation to improve education quality and student achievement.

Please join the National Alliance of Business and the Conference Board for this informative and interactive event. To register or learn more about the 2002 conference, please visit www.conference-board.org

About NAB

In an increasingly knowledge-based society, education is vital to the success of every individual. The National Alliance of Business spearheads the corporate community's efforts to increase achievement at all levels of learning. To meet this goal, the Alliance, along with the business community it represents, partners with policymakers and educators to raise public awareness, inform policy and stimulate action.

NAB's 5,000 members include companies of all sizes and industries, their CEOs and senior executives, educators, and community leaders. The Alliance manages a growing network of state and local business coalitions and convenes several national business coalitions including the Business Coalition for Education Reform and Business Coalition for Excellence in Education.

Chairman

Edward B. Rust Jr., Chairman and CEO, State Farm Insurance Companies

President and CEO

Roberts T. Jones

NAB 2002 Distinguished Performance Awards

NAB's annual awards recognize businesses, organizations and individuals whose long-term commitment, innovation and accomplishments have resulted in improvements in education and workforce quality at the national, state and local levels. Through the Business and Education 2002 Conference sessions, delegates will have the opportunity to hear first hand from these innovative and effective award winners, and take away their valuable and inspirational lessons in leadership and collaboration.

The deadline for applying for the awards is JULY 1, 2002. Please visit www.nab.com for more information about the awards and guidelines for applications and nominations. NAB will confer awards in the following categories:

Company
State
Business Coalition
Corporate University
Career College
Community College
One Stop
Workforce Investment Board

Membership Inquiries

Brett Davidson, Director, Corporate Relations
202 289 2926
info@nab.com

NATIONAL ALLIANCE OF BUSINESS

Work America

National Alliance of Business
1201 New York Avenue, NW
Suite 700
Washington, D.C. 20005

NON-PROFIT
ORG.
U.S. POSTAGE
PAID
MERRIFIELD, VA
PERMIT 1287

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

NOTICE

Reproduction Basis

X	This document is covered by a signed "Reproduction Release (Blanket)" form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.
	This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").